



AGC
THE CONSTRUCTION
ASSOCIATION

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November 5, 2021

Speaker Nancy Pelosi
United States House of Representatives
Washington, D.C 20515

Minority Leader Kevin McCarthy
United States House of Representatives
Washington, D.C. 20515

AGC KEY VOTE: Vote “NO” on the *Build Back Better Act*, H.R. 5376

Dear Speaker Pelosi and Minority Leader McCarthy:

On behalf of the Associated General Contractors (AGC) of America, representing more than 27,000 construction industry firms including America’s leading general contractors, specialty contractors, service providers, and suppliers, I would like to convey AGC’s opposition to H.R. 5376, the Build Back Better Act. This bill would have far reaching, negative impacts on the construction industry. As such, **AGC urges all Representatives to vote “NO” on H.R. 5376 and will record the vote as a KEY VOTE for the education of its members.**

The bill would provide federal labor enforcement agencies with the power to impose unprecedented penalties and infuse private construction development tax incentives with new labor mandates by:

- Allowing the National Labor Relations Board to fine construction firm owners, including small business construction firm owners, in their personal—not business—capacity up to \$100,000 per violation;
- Tying private construction development tax incentives to new construction labor mandates as a prerequisite for receiving the incentive and potentially shutting out many construction firms from working on certain renewable energy projects by how registered apprenticeship programs are defined and approved; and
- Empowering the Occupational Safety and Health Administration to levy bankruptcy inducing fines on small businesses of up to \$700,000 per violation.

Moreover, the bill would increase taxes on and lead to increased financial audit risks to many construction firms, including small businesses, by:

- Raising taxes on pass-through business owners that actively participate in their businesses through expanding 3.8 percent Net Investment Income Tax;
- Providing the Internal Revenue Service with \$79 billion to largely beef up enforcement efforts that could lead to more unwarranted and costly audits of construction firms; and
- Impeding the ability of some construction firms to survive economic downturns by permanently limiting their ability to carry “excess losses” back or forward.

For all of these reasons, AGC opposes this bill and, again, urges members to vote “NO” on H.R. 5376.

Sincerely,

Jimmy Christianson
Vice President, Government Affairs

Cc: All members of the U.S. House of Representatives